

May 14, 2025

Housing Committee

RE: LD365 – Public Hearing

Senator Curry, Representative Gere, and honorable members of the Joint Standing Committee on Housing and Economic Development.

My name is Sandra Hinkley. I am the Owner of Maple Hill Estates, a manufactured home community in Mechanic Falls. I have owned this community for over 10 years, and my parents owned it for nearly 20 years before me. For decades, my family and I have supplied affordable housing to thousands of families. I am the President of MHAM (Manufactured Housing Association of Maine), and also a licensed Realtor for the past 18 years.

I am here to express my extreme opposition and immense concern for LD365.

While deciding what to wear today, I chose stripes, as I don't own an orange jumpsuit. Black & white stripes fully represent my feelings for today's hearing. Proposals such as this moratorium on the sales of manufactured home communities is nothing short of imprisonment for community owners in Maine. This proposal, along with the several others in your committee this session, are tying the hands of we the people that have for decades supplied affordable housing to Mainers. America is known as the land of the FREE, but sadly, Maine is attempting to take freedoms away from their hard-working constituents at an astonishingly rapid rate.

While I appreciate your recognition of the need for MORE affordable housing, I believe these tactics are NOT the answer to increasing the amount and availability of affordable housing in our State. All that these proposals do is decrease the value of the property, put homeowners in a precarious position during a sale, whether it be private or not, and in the end do not result in the objective, which is MORE housing.

My community has the ability to expand and add another 30 sites. That is 30 more affordable housing options for Mechanic Falls. I reached out to Maine State Housing to see if there were any programs or grants to help offset the costs of this expansion, which would cost over \$1,000,000. I was told that the affordable housing program grants specifically EXCLUDE leased land options. Maybe this is area that could be looked at in order to expand affordable housing in Maine. I have many tenants in my community that used a first-time homebuyer loan from Maine Housing to purchase their home and place it on leased land in my community, but Maine Housing doesn't offer any programs to help expand the number of sites available for those buyers. Instead, funds are being earmarked by Maine Housing and the Governor to fund resident owned community purchases, which again, does nothing to EXPAND affordable housing options. Think of how many more families could be helped if that money was used to expand communities!!! Bring us solutions, not more red tape!

Maine needs housing solutions. But LD 365 punishes those who have already provided affordable housing by threatening our property rights, devaluing our businesses, and setting a precedent that the state can choose when and how you sell your business, and to whom.

I respectfully urge the committee to vote Ought Not to Pass on LD 365. This bill will do more harm than good and does not address the real objective of creating MORE affordable housing. It stifles it.

More information not able to be said during spoken testimony due to time allotment:

I do not believe there is a full understanding of how the Resident Owned Community (ROC) model works, or how much money it costs to run a community in that way. The ROC model requires the community to pay an "advisory fee" to CDI (Community Development Institute) which is not a publicly available number, and to hire a third-party community management company, which are TWO large expenses not needed when a private buyer purchases a park. The funding to pay for these extra costs comes from increased lot rents when the subsidy from tax payers runs out. In some instances, tenants lot rents will increase by hundreds when they become a ROC, when that would not be the case with a private purchase. There needs to be a deep dive into the business practices of ROC/CDI and how it ultimately plays a part in the amount residents need to pay in order to support this model of ownership. It may work for some communities, but it should not be forced by laws in our state to be the preferred or only ownership

model. Much more work needs to be done in order to understand the potential negative consequences the ROC ownership model has on residents of mobile home communities in our state.

### **1. LD 365 Undermines Property Rights and Contract Law**

At its core, LD 365 seeks to intervene in private real estate transactions and redirect control of a property's future away from its lawful owner. If passed, this bill would make it virtually impossible for community owners like me to sell to willing private buyers, and instead would give preferential—or even mandatory—treatment to residents or designated nonprofits.

This approach is not only unfair, it raises serious constitutional issues. Retroactively interfering in lawful contracts, delaying or blocking sales, and requiring us to engage in state-mandated negotiations or affordability agreements may amount to an unconstitutional taking under both the U.S. Constitution (Fifth and Fourteenth Amendments) and the Maine Constitution (Art. I, § 21).

We are small business owners who have worked for decades to maintain our communities. If we can't sell our properties freely, we lose equity, security, and the ability to retire or pass assets on to our families.

### **2. Precedent Set**

It is alarming that legislation is being used to try to derail private, under-contract sales to force a resident purchase. This is a slippery slope where the government essentially tells private landowners: “You can't sell unless we approve the buyer—and we reserve the right to insert ourselves into the deal.” That is a dangerous precedent, especially for a state that depends on private sector partners to supply affordable housing.

### **3. Negative Economic Impacts for Owners and Future Housing Supply**

This bill also risks depressing the value of manufactured housing communities across the state. If buyers perceive these properties as subject to forced-sale laws or perpetual affordability mandates, they will stop investing. The long-term effect will be less housing development, less capital investment, and fewer affordable options, not more.

And if an owner passes away during these forced restriction periods, their heirs may face estate tax assessments based on inflated values, while the actual resale value is restricted. That can force fire sales or the loss of family-owned businesses—something no small business owner should face at the hands of the state.

Thank you for your time and consideration,

Sandra Hinkley

Maple Hill Estates / MHAM